

**EXHIBIT F****INSURANCE REQUIREMENTS****SEC. 1. INSURANCE REQUIREMENTS**

The Concessioner shall obtain and maintain during the entire term of this Contract, at its sole cost and expense, the types and amounts of insurance coverage necessary to fulfill the obligations of the Contract. No act of the Concessioner, its agents, servants, or employees may impair any and all insurance coverage provided for the benefit of, or evidenced to the Service. The Concessioner must ensure that its insurance carriers provide the Service, solely for the benefit of the Service, **an unconditional 30 days advance notice** of cancellation, non-renewal, or material change in coverage or policy terms for all coverage issues.

The amounts of insurance, limits of liability, and coverage terms included are not intended as a limitation of the Concessioner's responsibility or liability under the Contract, but rather an indication as to the minimum types, amounts, and scope of insurance that the Service considers necessary to allow the operation of the concession at the Area. Nevertheless, if the Concessioner purchases insurance in addition to the limits set forth herein, the Service will receive the benefit of the additional amounts of insurance without additional cost to the Service.

**SEC. 2. LIABILITY INSURANCE**

The Concessioner must maintain the following minimum Liability Coverages, all of which, unless noted herein, are to be written on an occurrence form of coverage. The Concessioner may attain the limits specified below by means of supplementing the respective coverage(s) with Excess or "Umbrella" liability as explained below.

**(a) Commercial General Liability**

- (1) The Concessioner must obtain coverage for bodily injury, property damage, contractual liability, personal, or advertising injury liability (including contractual liability arising out of personal injury and advertising injury liability) and products and completed operations liability. The Concessioner must provide the following minimum limits of liability:

Bodily Injury and Property Damage Limit	
General Aggregate	\$2,000,000
Products and Completed Operations Aggregate	\$1,000,000
Per Occurrence	\$1,000,000
Personal Injury & Advertising Injury Liability	\$1,000,000
Medical Payments	\$ 5,000
Fire Legal Liability "per fire"	\$ 50,000

- (2) The liability coverages may not contain the following exclusions/limitations:

Athletic or Sports Participants  
Products/Completed Operations  
Personal Injury or Advertising Injury exclusion or limitation  
Contractual Liability Explosion, Collapse and Underground Property Damage exclusion

**Total Pollution exclusion**

Watercraft limitations affecting the use of watercraft in the course of the concessioner's operations (unless separate Watercraft coverage is maintained)

- (3) Pollution liability insurance coverage must be included for injuries resulting from smoke, fumes, vapor, or soot, or other contaminants from a hostile fire.
- (4) For all lodging facilities and other indoor facilities where there may be a concentration of people, the pollution exclusion may be amended so that it does not apply to the smoke, fumes, vapor or soot from equipment used to heat the building.
- (5) If the policy insures more than one location, the General Aggregate limit must be amended to apply separately to each location.

**(b) Automobile Liability**

The Concessioner must provide coverage for bodily injury and property damage arising out of the ownership, maintenance or use of "any auto," Symbol 1, including garage operations for products and completed operations. Garage-keepers' liability is to be included on a "direct" basis. Where there are no owned autos, coverage will be provided for "hired" and "non-owned" autos, "Symbols 8 & 9".

Combined Single Limit Each Accident	\$1,000,000
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**(c) Liquor Liability (if applicable)**

The Concessioner must provide coverage for bodily injury and property damage including damages for care, loss of services, or loss of support arising out of the selling, serving, or furnishing of any alcoholic beverage.

Each Common Cause Limit	\$ 1,000,000
Aggregate Limit	\$ 2,000,000

**(d) Watercraft Liability (or Protection & Indemnity) (if applicable)**

The Concessioner must provide coverage for bodily injury and property damage arising out of the use of any watercraft.

Each Occurrence Limit	N/A
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**(e) Aircraft Liability (if applicable)**

The Concessioner must provide coverage for bodily injury and property damage arising out of the use of any aircraft.

Each Person Limit	N/A
Property Damage Limit	N/A
Each Accident Limit	N/A

**(f) Garage Liability (if applicable)**

This coverage is not required, but may be used in place of Commercial General Liability and Auto Liability coverages for some operations. Coverage will be provided for bodily injury, property damage, personal or advertising injury liability arising out of garage operations (including products/completed operations and contractual liability) as well as bodily injury and property damage arising out of the use of automobiles.

Each Accident Limits--Garage Operations	N/A
Auto Only	N/A
Other Than Auto Only	N/A
Personal Injury & Advertising	N/A
Injury Limit	N/A
Fire Damage Legal Liability "per fire"	N/A
Aggregate Limit--Garage Operations	N/A
Other Than Auto Only	N/A

If owned vehicles are involved, Liability coverage should be applicable to "any auto" ("Symbol 21") otherwise, coverage applicable to "hired" and "non-owned" autos ("Symbols 28 & 29") should be maintained.

**(g) Excess Liability or Excess "Umbrella" Liability**

The Concessioner is not required to provide Excess Liability or "Umbrella" liability coverage, but may use it to supplement any insurance policies obtained to meet the minimum requirements of the Contract. If maintained, the Concessioner will provide coverage for bodily injury, property damage, personal injury, or advertising injury liability in excess of scheduled underlying insurance. In addition, coverage must be at least as broad as that provided by underlying insurance policies and the limits of underlying insurance must be sufficient to prevent any gap between such minimum limits and the attachment point of the coverage afforded under the Excess Liability or "Umbrella" Liability policy.

The Concessioner may use an Excess or "Umbrella" liability policy to achieve the Commercial General Liability and automobile liability limits set forth above. If a lower limit of liability is used for a subordinate policy, however, then the limit of liability under the excess policy must be in an amount to achieve the minimum limit of liability required for the subject policy.

**(h) Care, Custody and Control--Legal Liability (Describe Specific Coverage)**

Coverage will be provided for damage to property in the care, custody or control of the concessioner.

Any One Loss

**(i) Environmental Impairment Liability**

The Concessioner will provide coverage for personal injury and property damage arising out of pollutants or contaminants on-site and offsite).

Each Occurrence or Each Claim Limit	\$ 3,000,000
Aggregate Limit	\$ 5,000,000

**(j) Special Provisions for Use of Aggregate Policies**

If at any time the aggregate limit of any required policy is (or it appears that it will be) reduced or exhausted, the Concessioner may be required to reinstate such limit or purchase additional coverage limits. The General Aggregate under the Commercial General Liability policy must apply on a “per location” basis. The Certificate of Insurance required herein will note compliance with this aggregate provision.

**(k) Self-Insured Retentions**

The Concessioner’s self-insured retentions or deductibles on any of the above described Liability insurance policies (other than Excess/Umbrella Liability, if maintained) may not exceed \$5,000 without the prior written approval of the Director.

**(l) Workers Compensation & Employers' Liability**

The Concessioner must obtain coverage that complies with the statutory requirements of the state(s) in which the Concessioner operates. The Employer’s Liability limit will not be less than \$ 1,000,000.

**SEC. 3. PROPERTY INSURANCE****(a) Building(s) and Contents Coverage**

Amount of insurance (buildings): Full replacement value as listed in Exhibit C without deduction.

Amount of insurance (contents): Full replacement value without deduction.

Amount of insurance (inventory): Full replacement value without deduction.

- (1) Insurance shall cover buildings, structures, improvements & betterments, and contents for all Concession Facilities, as more specifically described in Exhibit C of this Contract.
- (2) Coverage shall apply on an “All Risks” or “Special Coverage” basis and shall include coverage for earthquake damage.
- (3) The policy shall provide for loss recovery on a Replacement value basis without deduction.
- (4) The amount of insurance must represent no less than 100% of the Replacement Cost value of the insured property. The Concessioner must insure inventory for 100% of the replacement cost of the products held for sale.
- (5) The coinsurance provision, if any, shall be waived or suspended by an Agreed Amount or Agreed Value clause.
- (6) Coverage is to be provided on a blanket basis for real and personal property.
- (7) The vacancy restriction and unoccupied restriction, if any, must be eliminated for all property that will be vacant beyond any vacancy or unoccupied time period specified in the policy.

- (8) Flood Coverage (if applicable) must be maintained at the maximum limit available not to exceed 100% replacement value, without deduction.
- (9) Earthquake Coverage (if applicable) must be maintained at the maximum limit available not to exceed 100% replacement value, without deduction.
- (10) Ordinance or law, demolition, and increased cost of construction. Coverage shall be maintained with a limit of not less than the building replacement costs listed in Exhibit C.

**(b) Boiler & Machinery Coverage**

- (1) Insurance shall apply on the comprehensive basis of coverage including all objects within the Concession Facilities.
- (2) The policy shall provide for loss recovery on a Replacement value basis, without deduction.
- (3) The amount of insurance should represent no less than 90% of the Replacement value of the insured property, without deduction.
- (4) The coinsurance provision, if any, shall be waived or suspended by an Agreed Amount or Agreed Value clause.
- (5) Coverage is to be provided on a blanket basis.
- (6) If insurance is written with a different insurer than the Building(s) and Contents insurance, both the Property and Boiler insurance policies must be endorsed with a joint loss agreement.
- (7) Ordinance or law, demolition, and increased cost of construction Coverage shall be maintained with a limit of not less than the building replacement costs listed in Exhibit C.

**(c) Builders Risk Coverage**

- (1) Insurance shall cover buildings or structures under construction pursuant to the terms of the Contract and include coverage for property that has or will become a part of the project while such property is at the project site, at temporary off-site storage, and while in transit. Coverage also must apply to temporary structures such as scaffolding and construction forms.
- (2) Coverage shall apply on an "All Risks" or "Special Coverage" basis.
- (3) The policy shall provide for loss recovery on a Replacement value basis.
- (4) The amount of insurance should represent no less than 90% of the Replacement value of the insured property.
- (5) The coinsurance provision, if any, shall be waived or suspended by an Agreed Amount or Agreed Value clause.
- (6) Any occupancy restriction must be eliminated.
- (7) Any collapse exclusion must be eliminated.

(8) Any exclusion for loss caused by faulty workmanship must be eliminated.

**(d) Business Interruption and/or Expense**

Business Interruption insurance and extra expense insurance covers the loss of income and continuation of fixed expenses in the event of damage to or loss of any or all of the Concession Facilities. Extra Expense insurance covers the extra expenses above normal operating expenses to continue operations in the event of damage or loss to covered property. The coverage provided must be at least that calculated as follows:

Anticipated annual gross revenue from operations	\$ _____
Less non-continuing expenses	\$ _____
Total	\$ _____
Prorated by the ratio of days of operation over 365 x percentage Business interruption limit	\$ _____

**(e) Deductibles**

Property Insurance coverages described above may be subject to deductibles as follows:

- (1) Direct Damage deductibles shall not exceed the lesser of 10% of the amount of insurance or \$25,000 (except Flood & Earthquake coverage may be subject to deductibles not exceeding \$50,000).
- (2) Extra Expense deductibles (when coverage is not combined with Business Interruption) shall not exceed \$25,000.

**(f) Required Clauses**

- (1) Loss Payable Clause: A loss payable clause similar to the following must be added to Buildings and Contents, Boiler and Machinery, and Builders Risk policies:

“In accordance with Concession Contract No. HOSP002-11 dated \_\_\_\_\_, between the United States of America and [the Concessioner] payment of insurance proceeds resulting from damage or loss of structures insured under this policy is to be disbursed directly to the Concessioner without requiring endorsement by the United States of America.”

**SEC. 4. CONSTRUCTION PROJECT INSURANCE**

Concessioners entering into contracts with outside contractors for various construction projects, including major renovation projects, rehabilitation projects, additions or new structures must ensure that all contractors retained for such work maintain an insurance program that adequately covers the construction project.

The insurance maintained by the construction and construction-related contractors shall comply with the insurance requirements stated in the Contract including this Exhibit (for Commercial General Liability, Automobile Liability, Workers' Compensation and, if professional services are involved, Professional

Liability). Except for worker's compensation insurance, the interests of the Concessioner and the United States shall be covered in the same fashion as required in the Commercial Operator Insurance Requirements. The amounts and limits of the required coverages shall be determined in consultation with the Director taking into consideration the scope and size of the project.

## **SEC. 5. INSURANCE COMPANY MINIMUM STANDARDS**

All insurance companies providing the above described insurance coverages must meet the minimum standards set forth below:

- (1) All insurers for all coverages must be rated no lower than A- by the most recent edition of Best's Key Rating Guide (Property-Casualty edition).
- (2) All insurers for all coverages must have a Best's Financial Size Category of at least VIII according to the most recent edition of Best's Key Rating Guide (Property-Casualty edition).
- (3) All insurers must be admitted (licensed) in the state in which the concessioner is domiciled.

## **SEC. 6. THIRD PARTY VENDOR INSURANCE**

Concessioners entering into contracts with third party vendors for various services or activities that the Concessioner is not capable of providing or conducting, must ensure that all vendors retained for such work maintain an insurance program that adequately covers the activity and complies with all the requirements applicable to the vendor's own insurance.

## **SEC 7. INSURANCE COMPANY MINIMUM STANDARDS**

All insurance companies providing the above described insurance coverage must meet the minimum standards set forth below:

- (1) All insurers for all coverages must be rated no lower than A- by the most recent edition of Best's Key Rating Guide (Property-Casualty edition). If the insurance agent/broker formally confirms in writing that no carriers with such ratings provide the required coverage, carriers with B+ rating will be considered on an exception basis by the Director.
- (2) All insurers for all coverages must have a Best's Financial Size Category of at least VII according to the most recent edition of A.M. Best's Key Rating Guide (Property-Casualty edition).
- (3) All insurers must be admitted (licensed) or approved in the state(s) in which the Concessioner operates.

## **SEC. 8. CERTIFICATES OF INSURANCE**

All certificates of insurance required by this Contract shall be completed in sufficient detail to allow easy identification of the coverages, limits, and coverage amendments that are described above. In addition, the insurance companies must be accurately listed along with their A.M. Best Identification Number

("AMB#"). The name, address, and telephone number of the issuing insurance agent or broker must be clearly shown on the certificate of insurance as well.

Due to the space limitations of most standard certificates of insurance, it is expected that an addendum will be attached to the appropriate certificate(s) in order to provide the space needed to show the required information.

In addition to providing certificates of insurance, the Concessioner, upon written request of the Director, shall provide the Director with a complete copy of any of the insurance policies (or endorsements thereto) required herein to be maintained by the Contract including this Exhibit.

The certificate of insurance shall contain a notation that the insurance coverage represented therein complies with the provisions of the Contract including this Exhibit.

The notice of cancellation provision of the certificate must delete any and all qualifying language such as "We will endeavor to provide" or "failure to provide said notice will not place any liability upon the company or its representative."

## **SEC. 9. STATUTORY LIMITS**

In the event that a statutorily required limit exceeds a limit required herein, the Concessioner must maintain the higher statutorily required limit, which shall be considered as the minimum to be maintained. In the event that the statutorily required limit is less than the limits required herein, the limits required herein apply.